GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1924
ANSWERED ON:05.08.2005
CREDIT RATING AGENCY
Gaikwad Shri Eknath Mahadeo;Mane Smt. Nivedita;Yadav Shri Anirudh Prasad (Sadhu)

Will the Minister of FINANCE be pleased to state:

(a) whether SIDBI plans to set up a Credit Rating Agency;

(b) if so, the details thereof;

(c) the aims and objective for setting up of this agency;

(d) whether SIDBI would go alliance with financial institution; and

(e) if so, the details in this regard?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM)

(a) Yes, Sir.

(b) SIDBI has decided to launch a rating agency with focus on Small and Medium Enterprises (SME). A memorandum of understanding has been executed between SIDBI, Dun & Bradsteet (D & B) and Credit Information Bureau of India Limited (CIBIL).

(c) The Credit Rating Agency would provide lending institutions with an external assessment of their clients. It will help the SME borrowers to receive better interest rates and credit terms.

(d) and (e) SIDBI has received commitment from various banks like Punjab National Bank, SBI, Oriental Bank of Commerce, Bank of India, Bank of Baroda and ICICI Bank for participating in the share capital.